

oriented purchasing tools, while also providing a long-overdue prescription drug benefit.

By saving the money we will need to save Social Security and Medicare, over the next 15 years we will achieve the lowest ratio of publicly held debt to gross domestic product since 1917. This debt reduction will help keep future interest rates low or drive them even lower, fueling economic growth well into the 21st century.

To spur future growth, we must also encourage private retirement saving. In my State of the Union address I proposed that we use about 12 percent of the surplus to establish new Universal Savings Accounts—USA accounts. These will ensure that all Americans have the means to save. Americans could receive a flat tax credit to contribute to their USA accounts and additional tax credits to match a portion of their savings—with more help for lower income Americans. This is the right way to provide tax relief to the American people.

Education is also key to our Nation's future prosperity. That is why I proposed in my State of the Union address a plan to create 21st-century schools through greater investment and more accountability. Under my plan, States and school districts that accept Federal resources will be required to end social promotion, turn around or close failing schools, support high-quality teachers, and promote innovation, competition, and discipline. My plan also proposes increasing Federal investments to help States and school districts take responsibility for failing schools, to recruit and train new teachers, to expand after school and summer school programs, and to build or fix 5,000 schools.

At this time of continued turmoil in the international economy, we must do more to help create stability and open markets around the world. We must press forward with open trade. It would be a terrible mistake, at this time of economic fragility in so many regions, for the United States to build new walls of protectionism that could set off a chain reaction around the world, imperiling the growth upon which we depend. At the same time, we must do more to make sure that working people are lifted up by trade. We must do more to ensure that spirited economic competition among nations never becomes a race to the bottom in the area of environmental protections or labor standards.

Strengthening the foundations of trade means strengthening the architecture of international finance. The United States must continue to lead in stabilizing the world financial system. When nations around the world descend into economic disruption, consigning populations to poverty, it hurts them and it hurts us. These nations are our trading partners; they buy our products and can ship low-cost products to American consumers.

The U.S. proposal for containing financial contagion has been taken up

around the world: interest rates are being cut here and abroad, America is meeting its obligations to the International Monetary Fund, and a new facility has been created at the World Bank to strengthen the social safety net in Asia. And agreement has been reached to establish a new precautionary line of credit, so nations with strong economic policies can quickly get the help they need before financial problems mushroom from concerns to crises.

We must do more to renew our cities and distressed rural areas. My Administration has pursued a new strategy, based on empowerment and investment, and we have seen its success. With the critical assistance of Empowerment Zones, unemployment rates in cities across the country have dropped dramatically. But we have more work to do to bring the spark of private enterprise to neighborhoods that have too long been without hope. That is why my budget includes an innovative "New Markets" initiative to spur \$15 billion in new private sector capital investment in businesses in underserved areas through a package of tax credits and guarantees.

GOING FORWARD TOGETHER IN THE 21ST CENTURY

Now, on the verge of another American Century, our economy is at the pinnacle of power and success, but challenges remain. Technology and trade and the spread of information have transformed our economy, offering great opportunities but also posing great challenges. All Americans must be equipped with the skills to succeed and prosper in the new economy. America must have the courage to move forward and renew its ideas and institutions to meet new challenges. There are no limits to the world we can create, together, in the century to come.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *February 4, 1999.*

By unanimous consent, the message was referred to the Joint Economic Committee (H. Doc. 106–2).

¶6.6 COMMUNICATION FROM THE CLERK—MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore, Mr. NETHERCUTT, laid before the House a communication, which was read as follows:

OFFICE OF THE CLERK,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, February 8, 1999.
Hon. J. DENNIS HASTERT,
The Speaker, U.S. House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on February 5, 1999 at 3:50 p.m. and said to contain a message from the President whereby he submits a report on ongoing efforts to achieve sustainable peace in Bosnia and Herzegovina.

With best wishes, I am

Sincerely,

JEFF TRANDAH.

¶6.7 PEACE EFFORTS IN BOSNIA AND HERZEGOVINA

The Clerk then read the message from the President, as follows:

To the Congress of the United States:

Pursuant to section 7 of Public Law 105–174, I am providing this report to inform the Congress of ongoing efforts to achieve sustainable peace in Bosnia and Herzegovina (BiH). This is the first semiannual report that evaluates progress in BiH against the ten benchmarks ("aims") outlined in my certification to the Congress of March 3, 1998. NATO adopted these benchmarks on May 28, 1998, as part of its approval of the Stabilization Force (SFOR) military operations plan (OPLAN 10407). The Steering Board of the Peace Implementation Council (PIC) subsequently adopted corresponding benchmarks in its Luxembourg Declaration of June 9, 1998.

NATO, the Office of the High Representative (OHR) and my Administration have coordinated closely in evaluating progress on Dayton implementation based on these benchmarks. There is general agreement that there has been considerable progress in the past year. The basic institutions of the state, both political and economic, have been established. Key laws regarding foreign investment, privatization, and property are now in place. Freedom of movement across the country has substantially improved. Fundamental reform of the media is underway. Elections have demonstrated a continuing trend towards growing pluralism. Nevertheless, there is still much to be done, in particular on interethnic tolerance and reconciliation, the development of effective common institutions with powers clearly delineated from those of the Entities, and an open and pluralistic political life. The growth of organized crime also represents a serious threat.

With specific reference to SFOR, the Secretaries of State and Defense, in meetings in December 1998 with their NATO counterparts, agreed that SFOR continues to play an essential role in the maintenance of peace and stability and the provision of a secure environment in BiH, thus contributing significantly to progress in rebuilding BiH as a single, democratic, and multiethnic state. At the same time, NATO agreed that we do not intend to maintain SFOR's presence at current levels indefinitely, and in fact agreed on initial reductions, which I will describe later in this report. Below is a benchmark-by-benchmark evaluation of the state-of-play in BiH based on analysis of input from multiple sources.

1. *Military Stability.* Aim: Maintain Dayton cease-fire. Considerable progress has been made toward military stabilization in BiH. Entity Armed Forces (EAFs) are in compliance with Dayton, and there have been no incidents affecting the cease-fire. EAFs remain substantially divided along ethnic lines. Integration of the Federation Army does not reach down